

**31A-8-211 Deposit.**

- (1) Except as provided in Subsection (2), each health maintenance organization authorized in this state shall maintain a deposit with the commissioner under Section 31A-2-206 in an amount equal to the sum of:
  - (a) \$100,000; and
  - (b) 50% of the greater of:
    - (i) \$900,000;
    - (ii) 2% of the annual premium revenues as reported on the most recent annual financial statement filed with the commissioner; or
    - (iii) an amount equal to the sum of three months uncovered health care expenditures as reported on the most recent financial statement filed with the commissioner.
- (2)
  - (a) After a hearing the commissioner may exempt a health maintenance organization from the deposit requirement of Subsection (1) if:
    - (i) the commissioner determines that the enrollees' interests are adequately protected;
    - (ii) the health maintenance organization has been continuously authorized to do business in this state for at least five years; and
    - (iii) the health maintenance organization has \$5,000,000 surplus in excess of the health maintenance organization's company action level RBC as defined in Subsection 31A-17-601(8)(b).
  - (b) The commissioner may rescind an exemption given under Subsection (2)(a).
- (3)
  - (a) Each limited health plan authorized in this state shall maintain a deposit with the commissioner under Section 31A-2-206 in an amount equal to the minimum capital or permanent surplus plus 50% of the greater of:
    - (i) .5 times minimum required capital or minimum permanent surplus; or
    - (ii)
      - (A) during the first year of operation, 10% of the limited health plan's projected uncovered expenditures for the first year of operation;
      - (B) during the second year of operation, 12% of the limited health plan's projected uncovered expenditures for the second year of operation;
      - (C) during the third year of operation, 14% of the limited health plan's projected uncovered expenditures for the third year of operation;
      - (D) during the fourth year of operation, 18% of the limited health plan's projected uncovered expenditures during the fourth year of operation; or
      - (E) during the fifth year of operation, and during all subsequent years, 20% of the limited health plan's projected uncovered expenditures for the previous 12 months.
  - (b) Projections of future uncovered expenditures shall be established in a manner that is approved by the commissioner.
- (4) A deposit required by this section may be counted toward the minimum capital or minimum permanent surplus required under Section 31A-8-209.

Amended by Chapter 308, 2002 General Session